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EXPOSURE

OF THE

Misrepresentation of the Public Accounts

CONTAINED IN THE CAMPAIGN SHEET ISSUED BY THE
LEADERS OF THE REFORM PARTY.

BY THE

HON. D. L. MACPHERSON,
SENATOR OF CANADA,

In a Letter addressed to his former Constituents, the Electors
of North Simcoe, Grey and Bruce.

"I suspect we shall have another Tariff Bill next session, and another Tariff Bill after that, and
"then, I hope, *in the good time to come*, that we shall have still *another* Tariff Bill."
** * * —Hon. E. BLAKE (*Speech at Montreal, 1881*).

"What but mischief can be your object? No sooner are the springs of industry again put in
"motion—no sooner are the sources of commerce unlocked, and are pouring forth the
"riches of the country in every direction—no sooner has returning confidence in a re-
"animated government given a new impulse to every exertion of skill, and new directions
"to labor and ingenious industry, than you agitate your question of reform to set men mad
"upon theories of government, instead of supporting it by the peaceful enjoyment of its
"practical blessings, checking the rising prosperity of peace, and plunging us back into
"the dangers and difficulties from which we had almost miraculously emerged."—*Erskine*.

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TO THE ELECTORS
OF THE
COUNTIES OF NORTH SIMCOE, GREY AND BRUCE,
CONSTITUTING FORMERLY
THE ELECTORAL DIVISION OF SAUGEEN:

GENTLEMEN,

It was not my intention to address you at this time upon the subject of the Public Finances.

They are administered with great vigilance and judicious economy. I believe the public do not require assurances upon these points.

The Government invites the judgment of the people upon their administration of public affairs. They desire, however, that when judging between them and their predecessors—the Mackenzie Government—the people shall be in possession of the truth, the whole truth, and nothing but the truth.

The public accounts may be distorted, may be misrepresented and misstated, and they have been so treated in a Campaign Sheet, entitled, "Record of Tory Administration since 1878," issued under the auspices of the Opposition, led by Mr. Blake.

It is to point to some of the grossest misstatements in that sheet, and to submit unimpeachable facts to you, that, recalling my former intimate political connection with you as your Representative, I again address you. The strongest proof that could be adduced of the faultlessness of the Administration of Sir John Macdonald and his colleagues is, that our opponents cannot present the semblance of a case against us without bearing false witness, without resorting to the most audacious falsification.

A Grit Falsehood.

The Grit Campaign Sheet opens with a shower of Billingsgate, in large capitals, upon the present Government, and then proceeds with the following:—

"The record of the Conservative Party during the past three years, is one of extravagance and waste in nearly every department of the public service. Contrary to all pledges made to the electors in the campaign of 1878—contrary to the professions of the leaders of the party on the floor of Parliament—contrary to the expectations of thousands of the

"confiding electors of Canada, they increased the public debt, added millions to the annual expenditure, and filled the Public Departments with their friends and partisans.

"THE PUBLIC DEBT.

"The following table (see Public Accounts, page 19) shows the net and gross debt of Canada on the 1st July in each year since Confederation:—

	NET DEBT.	GROSS DEBT.
1867.....	75,723,641.....	93,046,091
1868.....	75,757,134.....	96,896,666
1869.....	75,859,319.....	112,361,993
1870.....	78,209,742.....	115,993,703
1871.....	77,706,517.....	115,492,682
1872.....	82,187,072.....	122,400,179
1873.....	99,848,461.....	130,778,098
1874.....	108,324,964.....	141,163,551
1875.....	116,008,378.....	151,663,401
1876.....	124,551,514.....	161,204,687
1877.....	133,235,309.....	174,675,834
1878.....	140,362,069.....	174,957,268
1879.....	142,990,187.....	179,483,871
1880.....	152,451,558.....	194,634,440
1881.....	155,395,780.....	199,861,537

"Who is responsible for the increase?

"It is alleged that the Liberal Party are responsible for the larger portion of this increase. This would be true if the obligations for which the debt was incurred were undertaken by the Liberals, but inasmuch as nearly every dollar added to the debt between 1874 and 1879 was borrowed to carry on public works begun previous to 1873, the party who began these works must be held responsible for the debt incurred for their construction.

"To put the matter briefly and concisely, the debt account of Canada will then stand as follows:

"Increase from 1867 to 1st July, 1874, for which the Conservative party are responsible.....	\$32,596,323
"Increase from 1874 to 1879, to fulfil obligations of Conservative party as above.....	33,980,561
"Increase from 1879 to 1881.....	12,405,593
"Total increase since Confederation.....	79,667,139
"Conservative increase	78,982,477
"Leaving a balance as the Reform increase of	684,662

"To this, however, must be added the deficits which, after deducting the surpluses, amounted to \$2,863,540. By no possibility then can the Liberal Party be held responsible for more than 5 per cent. of the increases of the Public Debt since 1873."

Reply to the above.

The writers of the Campaign Sheet assert that their party when in office spent from Capital Account only \$684,662.

If they drew only this small amount from Capital, whence came the millions which they expended in surveying and constructing the Canadian Pacific Railway and on other works ?

Every man in the country who reads their statement will know how absurdly untrue it is.

The expenditure out of Capital by the Mackenzie Government was not \$684,662 but \$42,811,202.32. Many will come to the conclusion that the proportion that 684,662 bears to 42,811,202 is probably not far from the proportion of truth to fiction in the statements set forth in the Campaign Sheet issued by the Opposition.

By referring to the Public Accounts, it will be seen	
that the net debt at Confederation (1867), was.	\$ 75,728,641
And in 1881	155,395,780

Showing an increase since Confederation of....	\$79,667,139
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The net debt in 1873, was.....	99,848,461
And in 1878	140,362,069

Increase by the Mackenzie Government.....	\$40,513,608
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This proves that the increase by the Mackenzie Government exceeded \$40,000,000, being more than one half the total increase of debt since Confederation.

Then it must be remembered that while the Public Debt was swollen by the amount of Sir Richard Cartwright's loans of 1874 and 1876, amounting together to \$35,633,333, at their face or par value, and that while interest has to be paid thereon during the currency of the loans, the country received only as proceeds of these loans, 87½ cents on the dollar, Sir Richard Cartwright having left in London, among agents, brokers, &c., \$1,900,000 as their profits on the transactions.

The Grit Increase of Interest.

The amount of the Public Debt shows the sum of the people's obligations, but it is the interest they have to pay upon it, and not the amount of the debt that tells what their annual burden is, on account of the Public Debt. Those who read the Grit Campaign Sheet will remark, that its authors say but little upon the subject of interest. They know that the amount per head payable by the people for interest was increased while Mr. Mackenzie was in office. When he succeeded to power in 1873, the amount of interest per head was \$1.49. When he retired in 1878, it had increased to \$1.61 per head, and although the Public Debt has since been increased the charge for interest remains still at \$1.61 per head; owing partly to the reduction in the rate of interest effected by the present Government, and partly to the increased population. I repeat, that it is the amount of interest which the people have to pay, and not the amount of debt, that is the measure of their annual burden.

The annual charge for interest would be the same on a debt of \$100,000,000 at six per cent., as on a debt of \$200,000,000 at three per

cent., but the advantage of having the larger amount of capital expended in the country at the lower charge for interest is very manifest, although opposed to Sir Richard Cartwright's policy of financing, which was to leave a large portion of the principal of his loans among the money-lenders and brokers.

Instead of defending the expenditure from Capital account of the Liberal Conservative Government down to their retirement from office in 1873, I will ask the public to accept the testimony of Sir Richard Cartwright, the Finance Minister of the Mackenzie Government.

When in London on the 19th October, 1875, he issued a circular to the British Capitalists, from which the following is an extract :

"The whole of the debt has been incurred for legitimate objects of public utility. The indirect advantage from these public works has already been found in the remarkable rapidity with which the commerce and the material prosperity of the Dominion have been developed ; while a substantial increase in the direct returns may fairly be expected from the improvements now in progress, and to follow the steady progress of population and trade. The revenue has shown a continuous surplus during each year since Confederation in 1867, although it has in the interval been charged with much heavy expenditure of an exceptional kind, such as the outlay connected with the several Fenian attacks on the country, the acquisition and organization of new territory and providing an adequate defensive force for the Dominion. The eight years since Confederation therefore exhibit an aggregate surplus of two millions four hundred and forty-three thousand one hundred and eleven pounds (equal to eleven millions eight hundred and eighty-nine thousand eight hundred and eight dollars, and not including the sinking fund), which has been partially applied in the redemption of debt and partially expended in new works. The annual payment for sinking fund is included in the current expenditure, and forms in the aggregate a further sum of seven hundred thousand pounds (or three millions four hundred and six thousand six hundred and sixty-eight dollars), since Confederation."

It was in these terms of unqualified approval that their successors referred to the whole of the expenditure by Sir John Macdonald's Government from Capital Account.

When Mr. Mackenzie succeeded to power he was untrammelled with any engagement in connection with the Canadian Pacific Railway, made by his predecessors, except the Treaty with British Columbia, and Mr. Blake did not allow him to remain long fettered by the obligations of that Treaty.

The authors of the Campaign Sheet next indulge in more than a column of mis-representation of the public expenditure, ending with a table which audaciously suggests the untrue, and is discreditable to those from whom it emanated. Under the head of "Compare Details," they say :—

"In comparing the details of the financial management of the two parties, the *last full year* of each is taken as a basis." " * * * * "
"A comparison, therefore, based on the expenditure of the *last full year* of each, should be fair and acceptable to all parties."

A Misleading Grit Table.

**COMPARATIVE STATEMENT OF THE EXPENDITURE OF CANADA, FROM PAGE EIGHTEEN
OF THE PUBLIC ACCOUNTS.**

(N.B. This Table, compiled for the Grit Campaign Sheet, is intended to deceive the public.)

				ESTIMATES.
	1873-4.	1877-8.	1880-1.	1882-3.
Interest on Public Debt.....	\$ 5,724,436	\$ 7,048,883	\$ 7,594,144	\$ 7,860,547
Subsidies to Provinces, Sinking Fund, &c.....	4,531,362	4,610,640	4,931,693	4,969,067
CONTROLLABLE EXPENDITURE.	\$10,255,798	\$11,659,523	\$12,525,837	\$12,829,614
Civil Government.....	883,685	823,369	915,958	973,159
Administration of Justice.....	459,037	564,920	583,957	613,590
Police	56,387	10,616	13,525	12,500
Penitentiaries	395,551	308,482	307,366	295,367
Legislation.....	784,048	618,035	611,375	636,505
Geological Survey	97,814	96,049	111,352	109,400
Arts, Agriculture.....	19,091	92,365	22,408	21,200
Census	39,470	1,053	127,033	60,000
Immigration and Quarantine.....	318,572	180,691	250,812	378,307
Marine Hospitals.....	66,062	57,484	52,183	62,000
Pensions	56,453	105,842	96,388	102,160
Superannuation	64,442	106,588	147,362	155,000
Militia and Defence	977,376	618,136	667,000	758,500
Ocean and River Service	407,700	402,371	429,439	540,223
Public Works.....	1,826,001	998,594	1,138,765	1,169,225
Lighthouse Service.....	537,057	461,967	443,724	487,766
Fisheries	76,247	93,262	80,560	93,000
Steamboat Inspection	10,291	14,315	12,149	15,000
Insurance Superintendence		88,577	9,579	9,850
Miscellaneous	102,160	81,167	109,929	116,050
Indian Grants	146,068	421,503	805,097	909,308
Dominion Lands.....	283,163	87,628	67,745	99,660
Dominion Forces, Manitoba.....	209,169	11,210		
Mounted Police	199,599	334,748	289,845	413,000
N. W. Territory	303,221	43,905		
Total Controllable	\$8,324,076	\$6,542,510	\$7,293,563	\$8,560,970
CHARGES ON REVENUE.				
Customs	658,299	714,527	717,704	734,244
Excise	206,935	215,024	247,577	271,866
Weights and Measures		96,484	74,170	76,600
Culling Timber and Inspection of Food	82,886	56,924	59,861	80,000
Post Office	1,387,270	1,724,938	1,876,657	2,018,900
Public Works	2,389,679	2,471,437	2,703,665	2,713,455
Minor Revenues.....	11,371	21,785	3,575	10,000
Total for all purposes.....	\$23,316,316	\$23,503,158	\$25,502,554	\$27,305,453

The readers of the above table would suppose that 1873-4 was the "last full year" of Sir John Macdonald's former administration. But it

was not, and the authors craftily abstained from saying that it was, but left it to be implied—a brazen instance of the *suggestio falsi*. “The last full year” of Sir John’s former Government was 1872-3. Mr. Mackenzie came into office in October, 1873, and the fiscal year did not close till the 30th June, 1874.

With characteristic unfairness our opponents present the estimates for the financial year which will begin on the 1st July next, and treat them as expenditure, although they well know that the outlay upon the service of the year is generally much below the amount which it is considered prudent to provide for in the estimates.”

The True Figures.

The following table shows correctly the gross expenditure in “the last full year” of Sir John’s former Government, the last full year of Mr. Mackenzie’s Government, and the last full year for which we have the public accounts, and it is the facts set forth in this table that the Grit writers labour to falsify or conceal:

COMPARATIVE STATEMENT OF THE EXPENDITURE OF CANADA FOR YEARS 1872-73, 1877-78, & 1880-81.

(As per *Public Accounts folio 25*)

	1872-73.	1877-78.	1880-1881.
Interest on Public Debt	\$ 5,209,205	\$ 7,048,883	\$ 7,594,144
Subsidies Sinking Fund &c.....	3,507,870	4,610,740	4,931,693
	\$ 8,717,076	\$11,659,523	\$12,525,837
ORDINARY EXPENDITURE.			
Civil Government.....	750,874	823,369	915,958
Administration of Justice	398,966	564,920	583,957
Police	49,813	10,616	13,525
Penitentiaries.....	270,661	308,101	307,366
Legislation	614,487	618,035	611,375
Geo. Survey	64,630	96,049	111,352
Arts and Agriculture	10,690	92,365	22,403
Census.....	57,565	1,053	127,033
Immigration and Quarantine	287,368	180,691	250,812
Marine Hospitals	48,150	57,484	52,183
Pensions	49,204	105,842	96,388
Superannuations	53,026	106,588	147,362
Militia and Defence	1,248,663	618,136	667,000
Ocean and River Service.....	456,190	402,371	429,439
Public Works.....	1,597,613	998,594	1,138,765
Lighthouses	480,375	461,967	443,724
Fisheries	97,878	93,262	80,560
Steamboat Inspection	13,266	14,315	12,149
Insurance Superintendence.....	.....	8,577	9,579
Miscellaneous.....	63,848	81,167	109,929
Indian Grants	63,776	421,503	805,097
Dominion Lands	237,676	87,628	67,745
Dominion Forces, Manitoba	147,367	11,210	.....
Mounted Police.....	.....	334,748	289,845
N. W. Territory organized .....	.....	43,905	.....
Total Controllable Expenditure.....	\$57,062,09	\$6,542,510	\$7,293,563

	1872-73.	1877-78.	1880-1881.
CHARGES ON REVENUE.			
Customs	567,765	714,527	717,704
Excise	171,704	215,024	247,547
Culling Timber, &c.....	69,691	56,924	59,801
Post Office	1,067,866	1,724,938	1,876,857
Public Works.....	1,496,185	2,471,437	2,703,665
Minor Revenues	22,262	21,785	3,575
Weights and Measures.....		96,484	74,170
	\$3,395,475	\$5,301,119	\$5,683,319
Total for all purposes	\$19,174,647	\$23,503,158	\$25,502,554

In pamphlets which I addressed to you in 1878, I showed that the Controllable Expenditure had been increased under the Mackenzie Administration, between 1873 and 1876, by no less a sum than \$3,677,399, of which \$1,500,000 only was authorized by Legislation in the Session of 1873, for which the previous Government was responsible, and that for the balance of \$2,177,398 Mr. Mackenzie's Government was wholly responsible. I also showed that this increase incurred by the Grit Government was, to a great extent, needless and extravagant.

The Test of Economy.

A fair test of the relative economy of the two Administrations would be to compare the expenditure of 1875-6 with that of 1880-81. In 1875-76 the Mackenzie Government were in the hey-day of their prosperity, so confident that the Government of Canada would remain in their hands for many years, that they were administering its affairs in conformity with their own ideas of sound policy, uninfluenced by inherited engagements and undisturbed by popular remonstrances against their recklessness.

It was before their extravagance, their waste, and their jobbery were held up to public animadversion in the Senate.

COMPARATIVE STATEMENT OF THE EXPENDITURE FOR THE YEARS 1875-6 AND 1880-1.

CHARGES ON PUBLIC DEBT.	1875-6	1880-81
Interest on Public Debt.....	\$6,400,902	\$7,594,144
Subsidy to Provinces, Sinking Fund, &c.....	4,721,457	4,931,693
Total charges for Debt and Subsidies.....	11,122,359	\$12,525,837
ORDINARY EXPENDITURE.		
Civil Government.....	841,995	915,958
Administration of Justice.....	544,091	583,957
Police.....	13,427	13,525
Penitentiaries.....	312,015	307,366
Legislation.....	627,230	611,375
Geological Survey.....	97,055	111,352
Arts, &c.....	67,552	22,408
Census.....	10,191	127,033
Immigration.....	385,845	250,812
Marine Hospital.....	60,971	52,183
Pensions.....	110,201	96,388
Superannuation.....	101,627	147,362
Militia and Defence.....	978,530	667,000
Public Works.....	1,948,941	1,138,765
Ocean and River Service.....	546,529	429,439
Lighthouses.....	545,848	443,724
Fisheries.....	108,183	80,560
Steamboat Inspection.....	13,081	12,149
Insurances.....	8,032	9,579
Miscellaneous.....	90,309	109,929
Indian Grants.....	276,325	805,097
Dominion Lands.....	212,841	67,745
Dominion Forces.....	81,916	.....
Mounted Police.....	369,518	289,845
Boundary Survey.....	134,105	.....
Settlers.....	83,405	.....
Total of Ordinary Expenditure.....	\$8,569,774	\$7,293,563
CHARGES ON REVENUE.		
Customs.....	721,008	717,704
Excise.....	218,359	247,577
Weights and Insurances.....	99,785	74,170
Inspections.....	537	573
Adulterations.....	2,601	8,149
Culling Timber.....	66,596	51,079
Post Office.....	1,622,827	1,876,657
Public Works.....	2,044,497	2,703,665
Minor Revenues.....	20,024	3,575
	\$4,796,238	5,683,153
Total Ordinary Expenditure and Charges on Revenue.	13,366,012	12,976,716
Expenditure 1880-81 less than 1875-6 by.....	.....	\$389,296

It will be observed that the expenditure for 1880-81, (exclusive of the charges on public debt), but including that in Manitoba and the N. W. Territories, was \$389,296 less than that of 1875-6.

The total of the "*Charges on Revenue*" in 1880-1 was \$886,915 more than in 1875-6, but of this total (\$5,683,153) no less than the sum of \$912,998 was for collecting the increased revenue from the Post Office and Public Works, and which increased revenue almost equalled the increased cost of collecting it.

The authors of the Grit Campaign Sheet confine their criticisms chiefly to the public expenditure. They complain of the cost of administering the public service, but they say nothing of the rapidly increasing work of administration. The latter is shown in the following interesting table.

COMPARATIVE STATEMENT OF REVENUE AND COST OF ITS COLLECTION IN 1872-3 AND 1877-8.

	Revenue. 1872-73.	Revenue. 1877-78.	Cost of Collection. 1872-73.	Cost of Collection. 1877-78.	Percentage of Cost of Collecting Revenue. 1872-73. 1877-78.	
Customs	\$12,954,164	\$12,782,824	\$ 567,765	\$ 714,527	4.38 %	5.59 %
Excise	4,460,681	4,858,671	171,704	215,024	3.84 %	4.42 %
Post Office	833,657	1,207,790	1,067,866	1,724,938	128 %	142 %
Public Works...	1,316,635	2,034,483	1,496,185	2,471,437	113 %	121 %

CUSTOMS.

The Revenue from Customs in 1877-8 fell below that of
1872-3 to extent of\$171,340
The cost of collecting the Customs Revenue in 1877-8
over 1872-3 was increased.....\$146,762

N.B.—While receipts were declining in 1877-8 at the rate of \$3,250 per week, the Mackenzie Government were increasing the cost of collection by \$2,823 per week.

EXCISE.

The increased Revenue from Excise in 1877-8 over
1872-3 was.....\$397,990
The increased cost of collecting it in 1877-8 over 1872-3
was..... 43,320

N.B.—The cost of collecting this Revenue in 1872-3 was \$3.96 per cent., but in 1877-8 it increased to \$4.42 per cent.

POST OFFICE.

The increased Revenue from the P. O. in 1877-8 over
1872-3 was.....\$374,133
The increased cost of collecting it was..... 657,072

PUBLIC WORKS, INCLUDING RAILWAYS.

The increased Revenue in 1877-8 over 1872-3 was....\$717,848

The increased cost of collecting it was..... 975,252

I shall now submit a comparative table of the Revenue and cost of collecting it for the years 1875-6 and 1880-81, being the third years of the Administrations of the Honourable Alexander Mackenzie, and of the present Government respectively.

COMPARATIVE STATEMENT OF REVENUE AND COST OF COLLECTION IN THE YEARS 1875-6 AND 1880-81, WITH PERCENTAGES OF COST OF COLLECTION.

	Revenue. 1875-76.	Revenue. 1880-81.	Cost of Collection. 1875-76.	Cost of Collection. 1880-81.	Percentage of cost of Collection.	
					1875-76.	1880 81
Customs	\$12,823,837	\$18,406,092	\$721,008	\$717,704	5.63 %	3.90 %
Excise.....	5,563,487	5,343,022	218,359	247,577	3.92 %	4.60 %
Post Office....	1,102,540	1,352,109	1,622,827	1,876,657	147 %	138 %
Public Works..	1,479,231	2,682,924	2,044,497	2,703,665	138 %	100 %

CUSTOMS.

The increased Revenue of 1880-81 over 1875-6, was..\$5,582,255

The *decreased* cost of collecting the whole Customs

Revenue was, in 1880-81 \$3,394

Thus while the Revenue increased in 1880-81 over that of 1875-6, at the rate of \$107,351 per week, the cost of collecting it decreased \$63 per week.

POST OFFICE.

The increased Revenue of 1880-81 over 1875-6, was..\$249,569.

The increased cost of collecting the whole Postal

Revenue of 1880-1 over 1875-6, was..... 253,830

Thus the increased Revenue of 1880-81 over that of 1875-6, cost only \$1.01 for each dollar collected, being 46 *cents less* per dollar than the cost of collecting the whole Post Office Revenue in 1875-6, and showing that for each dollar expended in extension of postal service by the present Government, 99 cents were returned in Revenue.

PUBLIC WORKS, INCLUDING RAILWAYS.

The increased Revenue of 1880-81 over 1875-6 was ...\$1,203,693

The increased cost of collecting the whole Revenue of

these services in 1880-81 over 1875-6, was\$659,168

Thus the increased Revenue in 1880-81 cost only 54 cents for each dollar collected, whereas the cost of collecting the revenue from this source in 1875-76 was \$1.38 for each dollar collected.

On comparing the table in which are stated the Revenue received from Customs, Excise, Post Office and Public Works in 1872-3 and 1877-8, with the table in which are stated the same revenues received in 1875-76 and 1880-81, and examining the items relating to the cost of collecting those in both sets of years, it will be found that in the period of Grit rule, the outlay for the different services was increasing largely, when the Revenue was, in the case of the Customs, actually falling off, and in the cases of the Post Office and Public Works, was not keeping pace with the increased cost of collection.

The Present Record.

On the other hand, during the years of the present Administration, the Customs Revenue increased very largely, while a judicious economy was being exercised in reducing the costs of this service, and, in both the Post Office and Public Works, the increased expenditure fell very far below the increased receipts.

The Grit extravagance from 1873 to 1878 was utterly unjustified by the state of the country's finances, and increased its deficits *by reducing the net Revenue*, while the liberal outlays made by the present Government since 1878 are more than justified, as they resulted in *increasing the net Revenue*. The more the Grits spent, the less revenue they got; while the policy of the present Government, in developing the resources of the country, brought a rich harvest both of revenue and national prosperity.

The present Administration may, I think, point to these results not only with gratification, but with pride. In the face of such facts, the carpings of unscrupulous place-hunters over Departmental Expenditure are unworthy of serious notice.

The compilers of the Grit Campaign Sheet must know that all their allegations of unnecessary expenditure are baseless.

Take for example their hypocritical wail over the increased expenditure on the Post Office Service, the extension of which is so essential to the convenience and happiness of the people. They conceal the fact that, under the improved management of the present Government, the increasing revenue all but covers the increasing expenditure, that for every dollar of increased expenditure, we get back 99 cents in increased revenue.

Alleged "Junketings,"

Attention is next called to what, in the Grit Campaign Sheet, is politely styled "Ministerial Junketings"—meaning the travelling expenses of individual Ministers upon public business.

Its authors allege that the "junketings" of Mr. Blake and colleagues in 1878, cost \$2,000.29; while those of Sir John Macdonald and his colleagues in 1880-81, cost \$3,694.75. They omit, however, to mention that the "junketings" of Grit ministers in 1875, cost \$4,375.06, including \$500

for Mr. Huntington, \$400 for Mr. Ross, and, \$300 for Mr. T. Coffin. It would be interesting to know what were the public missions on which these gentlemen were employed. It is to be hoped that no Minister of the Crown in Canada would be so devoid of honour and self-respect as to charge against the public any portion of his travelling expenses not incurred in the public service. It is most unworthy in men who aspire to govern this country to degrade public life by suggesting what would be so dishonourable to her statesmen. The leaders of the Opposition must not, however, be offended or surprised if it should be suspected that they only suggest that others may have done what they are conscious they themselves would do if they had the opportunity.

I think the "Junketing" paragraph must have been contributed to the sheet by the person, who, in 1877, mis-stated, wilfully, I fear, the amount of Sir John Macdonald's cab hire, and never, so far as I know, corrected the misstatement. That was one of the meanest slanders uttered during the Campaign preceding the election of 1878. The *Montreal Herald* considered it of sufficient importance to make it the subject of a leading article under the title of "Important Political Statement."

Travelling Expenses.

Next follow two columns and a half upon the travelling expenses to England of Reform and Conservative Ministers, the cost of Sir Alexander Galt's office, and upon the subject of loans.

The authors of the Grit sheet seem incapable of treating a political opponent fairly, even in the smallest matter, for instance, the cost of one of Sir Richard Cartwright's trips to London is stated as follows:—

"1874-5, Sir R. Cartwright.....	\$1,022 84"
"J. M. Courtney, Deputy Minister of Finance.....	1,072 12"

While that of Sir Leonard Tilley's is thus stated:—

"1879, Sir Leonard Tilley and Secretary.....	\$2141 33"
--	------------

Mr. Courtney was not Deputy Minister of Finance in 1874-5. He did not become so until 1878, and I presume he accompanied Mr. Cartwright in 1874-5 as his Secretary, so that the fair and truthful way to have stated the cost of Sir R. Cartwright's trip would have been thus:—

1874-5, Sir R. Cartwright and Secretary.....	\$2,094 96
--	------------

To have done so would, however, have brought his expenses up to within \$45.37 of those of Sir Leonard Tilley.

Had the writer been candid he would have stated that the expenses of Sir Leonard's trip were fairly chargeable to Sir Richard Cartwright, for it will be remembered that Sir Leonard Tilley had to hasten to England immediately on his election in 1878 to negotiate a loan to cover Sir Richard Cartwright's temporary borrowings on call.

The writer of the paragraph, no doubt, thought he made a good political point by exhibiting Sir Leonard Tilley's expenses as twice as great as those of Sir R. Cartwright, and making it, gave him the opportunity of again indulging in the *suggestio falsi*.

It is puerile in our opponents to be dilating upon such items, and the party who only have such trumpery charges to bring against a patriotic and successful Administration before an intelligent electorate must be politically bankrupt.

The question is not what the trips cost, but what advantages resulted from them to the country.

Sir John Macdonald and his colleagues entered into the contract for the Canadian Pacific Railway in England, and I imagine the great body of the people regard that arrangement as worth many millions to Canada.

Sir Alexander Galt, as High Commissioner, has rendered Canada most valuable services, more than sufficient to pay the expenses of his office many times over.

In regard to the visits of the Ministers of Finance to London, it is well known, and is admitted by friend and foe, that Sir Leonard Tilley always negotiated his loans at the best prices the market afforded. The same, unfortunately, cannot be said of Sir Richard Cartwright.

Sir R. Cartwright's Loans.

In an open letter which I addressed on the 16th April last, to Mr. George Jackson, then M.P. for the South Riding of Grey, I repeated what I had said in Parliament on Sir R. Cartwright's loan of 1876. The following is an extract from that letter :

"The increase of the Public Debt during the same period, according to the Public Accounts, was \$42,811,202.32,—the increase between 1872-73, and 1877-78, was \$45,213,-836.77. The loan of 1878 was actually negotiated by Sir Leonard Tilley, but it was required to meet the obligations incurred by his predecessor, Sir Richard Cartwright, who should have provided for them before the general election. He, however, decided to wait until after that event, doubtless expecting that he would be enabled to present himself in the money market with a renewed mandate from the people. To meet the requirements of the Government for the time being, he had recourse to borrowing for short periods from London Bankers and Financial Agents. It was to pay off these liabilities, to prepare for meeting the other maturing obligations of the Government, and generally to place the public finances on a satisfactory footing, that Sir Leonard had to hasten to England immediately after his election, on his appointment as Minister of Finance ; and although Sir Richard's neglect to negotiate a loan, when he should have done so, was not unattended with peril to the public credit, yet it was fortunate for the Dominion that the negotiation devolved upon Sir Leonard Tilley, for he disposed of the loan by public competition or tender as he did in 1873.

"In the increase of the debt, stated above (\$42,811,202.32) of course is included the sum of \$1,520,833, that being substantially the portion of the loan of 1876, (\$12,166,-666), which Sir Richard Cartwright allowed as discount to the lenders and paid for Brokerage, &c.

"While the Dominion did not receive this sum of \$1,520,833, or any part of it, yet interest, sinking fund, &c., have to be paid thereon, amounting to about \$70,000 a year, till the maturity of the loan in 1906 (the interest alone at 4 per cent. exceeds \$60,000 a year). To have to pay \$70,000 a year for thirty years for that which the Dominion did not receive does seem a grievous hardship, but Sir Richard maintains,

and Mr. Blake and his other colleagues of 1876 also maintain that the loan was advantageous for the Dominion, was, in fact, a model loan. But, in the opinion of men who do not belong to their model school of finance, it was an improvident and mysterious loan—I say mysterious, because it was sold without public competition, on terms which reduced the net proceeds which Canada received to about $87\frac{1}{2}$ cents on the dollar, and further because Mr. Mackenzie's Administration refused to make public the names of the allottees or beneficiaries.

"The amount of \$1,520,833 is the portion which Sir Richard sank in England, of the principal of the loan. Unfortunately it does not represent the whole loss. To it must be added \$1,037,520, which is the value of the yearly payment of interest of \$60,000 for thirty years, when capitalized.

"The country's loss by Sir Richard Cartwright's disastrous loan of 1876, it will thus be seen, amounted to the prodigious sum of \$2,558,353. Yet Mr. Blake supported and still approves of that transaction!"

The ratio of loss upon Sir Richard's loan in 1874 of £4,000,000 (\$19,466,400) was even greater than that upon his loan of 1876. But even at the same ratio, and according to the same rule it amounted to \$4,093,365, making a total loss to the country by Sir Richard Cartwright's loans of \$6,651,718.

Some persons gained what Canada lost by these transactions. Sir Richard Cartwright no doubt knows who the favoured ones were, but he refuses to tell.

These loans were mysterious transactions.

Canada has paid dearly for the financial services of one whom the late Honourable George Brown surnamed "the mixer and muddler."

Sir Charles Tupper's visits to England have been profitable to the Dominion. He took a part in negotiating the Contract for building the Canadian Pacific Railway, and on the occasion of one of his visits he purchased 50,000 tons of steel rails, the advantages of which went far to neutralize the loss on Mr. Mackenzie's speculative purchase of rails. And these are only two among numerous services rendered by him to his country during his visits to England.

Mr. Mackenzie's trip to England is stated to have cost \$1,966.32. It is well known that it was undertaken, not on public business, but for pleasure, and I am inclined to think that the compilers of the sheet omitted to include in Mr. Mackenzie's travelling expenses an item of £100, equal to \$486.66, charged by Mr. Agent-General Jenkins for the trip of Mr. Mackenzie and himself to Paris.

Complaint is made in the Grit Campaign Sheet of expenditure on account of the Indians.

The outlay for Indians is large, but it could not be otherwise. We dispossessed the Indians of their territory. We drove their food, the Buffalo, from the country. Unless, therefore, we feed them until they learn to procure food by other methods than the chase, they must starve. The Indian is human and will not consent to starve. Like the white man, he will struggle for life, so that we must either feed or fight him. You, and all right minded people of this Dominion, will agree with the Government that it is not only more humane, more worthy of us as a Christian people, but also more economical, to feed than to fight the Indians.

We are doing all we can to train them to husbandry. They are making fair progress, and in a comparatively short time they will be self-supporting.

The Pacific Railway.

The political Syndicate, charged with constructing the Grit Campaign Sheet, devote seven columns to misrepresenting the Canadian Pacific Railway Contract, and contracts for other works carried on under the Department of Railways and Canals.

All their charges and insinuations have been so completely and triumphantly answered by Sir Charles Tupper, whose speeches I hope have been widely circulated, that I shall content myself with saying, that in so far as relates to the Pacific Railway the result has completely vindicated the policy of the Government.

The Opposition cannot with truth deny that Mr. Mackenzie's Government invited tenders for the construction of this railway on terms which would have been much more burdensome to the country than those granted by the present Government to the Syndicate. But the Grit Government and party had represented the country to be traversed by the Canadian Pacific Railway as being so inhospitable and worthless that capitalists could not be found to undertake the work.

The subsidies which the Mackenzie Government were willing to grant I find valued correctly, I believe, in a paper now before me from which I make the following extract:—

“The Government evidently became convinced that railway-building was not its *forte*, and it issued an advertisement inviting tenders for the whole line, thus admitting that both parties, the whole people in fact, were in favour of having the railway constructed and operated by a company.

“In that advertisement the Government offered 20,000 acres of land, and \$10,000 in cash per mile, and interest at 4 per cent. per annum for twenty-five years on such further sum per mile as might be agreed upon. The land and cash named were offered absolutely, and the basis for competition was the sum on which interest was to be paid for twenty-five years.

“The length of the Canadian Pacific Railway is said to be about 2,726 miles. In comparing tenders, we shall estimate the land at one dollar per acre. The sum on which Mr. Mackenzie's Government would have agreed to pay interest for twenty-five years can only be estimated, but it probably would be equivalent to a cash payment of nearer \$10,000 than \$5,000 per mile, but we will place it at the smaller sum. On this basis Mr. Blake, as one of Mr. Mackenzie's colleagues, was prepared to pay:—

“In cash 2,726 miles, at \$10,000	\$27,260,000
“4 p. c. per annum for 25 years on a sum equal to \$5,000 per mile, cash.	13,630,000
“Making the cash subsidy	\$40,890,000
“In land 2,726 miles at 20,000 acres per mile—54,520,- 000 acres at \$1.00	54,520,000
	<hr/> \$95,410,000

“Mr. Mackenzie's offer included 20,000 acres of land per mile to branch lines, while no subsidy to these is allowed to the Syndicate.

"The present Government on its accession to power determined to adhere to the policy of the Liberal-Conservative party, of contracting with a company for the constructing and operating of the Railway, and did so with the Syndicate, and the actual contract is as follows :—

" Railway constructed at cost of	\$28,000,000
" Cash	25,000,000
" Land 25,000,000 acres at \$1.00 per acre	25,000,000
	<hr/>
	\$78,000,000
" Difference in favour of the contract with the Syndicate as compared with the terms of the Mackenzie Government	\$17,410,000

" And this is exclusive of 20,000 acres of land per mile to Branch Railways."

The Land Policy.

I now come to the strictures of the authors of the Grit Campaign sheet upon the land policy of the Government, to which they devote six columns. They read like the editorials of the *Globe* upon the subject, telescoped into each other, "figuratively speaking," with a copious supply of headlines in capitals, of which the following are samples:—

"Vacillating Policy of the Government;" "Defraud the Poor and Favour the Rich;" "Fourth Series of Regulations;" "The Speculator made Lord of the North-West;" "Playing into the Hands of the Party;" "Conceived in the Interests of Speculators;" "The Premier Outrage."

I miss, however the words, "Given over to Landlordism," but "Made Lord of the North-West," is not a bad expression in substitution for the other.

Exception is taken to the changes that have made in the land regulations.

It is true they have been changed from time to time as the Government believed they might be amended.

The regulations for settling a vast region and transforming an "illimitable wilderness" into a great empire, could only be tentative; and if the Government should become satisfied that the regulations can be further amended with advantage to the North-West Territories, I hope they will not hesitate to amend them. I should indeed be disappointed if the present Government became like its predecessor, more celebrated for obstinacy than for statesmanship. Judged by the test of success, the present regulations are giving satisfaction.

A great multitude of independent immigrants are pouring into the North-West Territories, which many members of the Opposition declared to be almost unfit for the abode of man.

Between the 1st January last and 1st May instant, 25,000 settlers arrived in Manitoba, and the immigration from Europe to that Province, *via* the St. Lawrence, is at the rate of about 1,000 per week, and probably half as many more for the same destination, arrive weekly *via* New York—many of them bringing with them considerable capital.

From that source our country is deriving great wealth.

I may further, say that, early in last April, lands were sold to the amount, in round figures of \$700,000.

The even numbered sections to the extent of eighty millions of acres, including those in the railway belts, are open for homestead and pre-emption. One half of that quantity is absolutely free (except the entry fee) for homesteads of 160 acres each. It would defy even our opponents, with all their capacity for the mismanagement of public affairs to establish Landlordism in a country where such regulations prevail.

About eight millions of acres have been granted to companies for colonization and settlement under plan number one of the land regulations. (No land has been granted under number two.) These companies will be so many immigration agencies whose interest it will be to settle the tracts disposed of to them, and it will be done without cost to the country. The lands are to net to the Government not less than one dollar per acre for the whole area, odd and even numbered sections, and the companies engage to people them within five years.

It will thus be seen that under the policy of the Government the rapid settlement of Manitoba and the N. W. Territories is secured and that there is every reasonable prospect that the proceeds from sales of lands will be more than sufficient to meet the cash subsidy to the Canadian Pacific Railway Company before the whole amount will be payable.

This forecast of the future prosperity of our country which I venture to picture is very different from what it would have been had the MacKenzie Government remained in power, and it will not be fulfilled if a Blake administration should unfortunately succeed to office.

Colonization Agreements.

A correct abstract of the colonization agreement under plan number one appeared in the *Globe* of the 8th inst. It is as follows:

"We have been shown a copy of the deed under which the Government conveys Dominion lands to colonization companies. Some particulars of its provisions will be found interesting.

"The purchase money is \$2 an acre and five cents for surveying, for the odd-numbered sections in the tract conveyed, payable 40 cents in cash; balance in four annual instalments, with interest at six per cent. on all *past due* instalments from the maturity thereof. No deductions will be made because part of the land is unfit for cultivation. The sale is not to include school lands, Hudson Bay lands, highways, gold, silver, copper, lead, and coal lands, such lands as may be withdrawn under the provisions of the agreement, nor the timber, save that used in settling up the land and for firewood. Squatters are not to be disturbed without consent of the Minister of the Interior. If any of the minerals before mentioned be found, or a harbour exist, the tract of land or water may be withdrawn from the Company by simple notice from the Government. In this case the Government will pay for all improvements or buildings on the land, and will refund the purchase money. The Government also reserves power to withdraw from the Company all land found to be within twenty-four miles of the main line of the Canadian Pacific, and the Government does not in this case covenant to pay for improvements or to refund purchase money.

The Company agree that, at the expiration of five years from July 1st, 18—, there shall be settled upon each of two quarter sections in each even numbered section one

bona fide settler. Each settler is to have been placed there by the Company. And the same number of settlers have to be placed by the Company on the odd-numbered sections also. The decision of the Minister of the Interior as to what constitutes a settler is to be final. If at the end of five years there be any odd-numbered sections not containing two settlers placed there by the Company, the sale of such section is to be cancelled. But the money paid by the Company on account of the purchase of such section is to be returned by the Government.

"A rebate of \$120 per settler will be allowed for each settler, not exceeding two per section, placed on any of the land by the Company. The rebate is to be applied in diminution of the purchase money of the odd-numbered sections. The enumeration of the settlers is to be made yearly. No rebate is to be made for any settler with respect to whom a rebate has formerly been allowed, whether to the same or any other Company. At the end of five years a final enumeration is to be made, and a further rebate of forty dollars per settler given.

"If at the end of five years there be no settler on any section, the Company will not get the rebate; if there is only one settler on a section it will only receive \$160 rebate. But if the Government withdraws any section from the Company the rebate is to be allowed as though settlement had been performed—which strikes us as a queer condition, seeing that clause 12, *ante.*, provides that on a withdrawal of a section, the purchase money paid by the Company shall be returned. According to this the Company will get back its purchase money and its rebate too, whenever the Government withdraws mineral or homestead lands.

"The Company is not, without the consent of the Government, to part with or prejudice its title to the lands except to *bona fide* settlers, and with respect to them the power of the Government to withdraw the land will still exist.

"Provision is made for absolute forfeiture of the whole tract to the Government whenever the Company falls three months in arrear of its payments; or cuts timber except for settling two settlers per section, or for firewood; or parts with its title without consent of the Government. As well as the land, the money paid by the Company becomes forfeited. But it is declared to be the intention that, whenever any Company's land and money are so forfeited, the Government will confirm in possession any settler holding not more than 320 acres if and when he has resided upon and cultivated the land for three years.

"When all the conditions of the agreement are fulfilled, the Government will grant the odd-numbered sections to the Company in fee simple, save and except the minerals and timber and the sections which may have been withdrawn. It is expressly stipulated that the conditions of the agreement are the only conditions upon which any rights can be found; no implied contract arising from the peculiar position of any parties will be allowed to have force."

It is difficult to understand how the editor of the *Globe* or the compilers of the Grit Campaign Sheet can expect intelligent people to believe that Landlordism can be established under the agreement of which the foregoing is an abstract, and under the existing regulations or under any conceivable regulations or circumstances in the North-West Territories. They well know that Landlordism is impossible on this Continent.

The remainder of the Campaign Sheet is filled with misrepresentations of the Tariff and the National Policy.

Sir Leonard Tilley, in his Budget and other speeches, has left nothing to be added by me in explanation or defence of the fiscal policy of the

Government. The people know that it is the foundation of their augmented prosperity.

Some Grit Transactions.

When reading the Grit Campaign Sheet, I was much struck with the contrast between the frivolous accusations, most of them wilfully fabricated, brought by the Opposition against the present Government, and the crushing indictments laid by the then Opposition against the Mackenzie Government between 1875 and 1878.

The Grit Party cannot advance charges in any way analogous in their character and consequences to the Steel Rail Speculation of Mr. Mackenzie, which entailed a loss upon the country of more than \$2,000,000

Or the loss of interest in the Lake Superior Section of the Canadian Pacific Railway and Welland Canal, through blundering	2,017,722
Or the loss by the useless Fort Francis Lock, the Kamanistiquia job and buildings, abandoned at Fort Pelly.....	309,320
Or the loss by the Georgian Bay Branch Railway, respecting which Mr. Blake "could a tale unfold".....	41,000
Or the loss by apparent favoritism, including \$30,000 to Mr. Blake's "friend Moore"	109,338
Or the loss by the Pacific Telegraph contract brought to light by the Pacific Railway Commission	28,000
Or the prodigious loss by Sir Richard Cartwright's negotiation of the loans of 1874 and 1876.....	6,651,718
Making the ascertained loss to the country, by the blundering of Mr. Mackenzie's Government.....	<u>\$11,157,098</u>

And in addition to these they committed many other costly blunders.

There is no instance in history of a political party seeking, as the Grits are now doing, the confidence of an intelligent people without having a definite policy to submit for their acceptance.

They have been well styled *the party of negation*.

Their platform seems to consist of loose planks, see-sawing either way, according to who steps upon them, whether he be in favour of free imports and the destruction of Canadian manufactures, or a mere trimmer on fiscal and industrial questions.

In the absence of a policy, I observe that candidates are being nominated to support and follow Mr. Blake.

Those who have watched his career may be excused for believing that he holds no fixed political opinions, that his politics are speculative, that the Confederation of the British Empire, the representation of minorities,

and kindred questions, are to him the most congenial subjects of study, and that for the practical questions, on which depend the development of Canada and the prosperity of the people, he has no taste, but has taken them up merely as a means of serving his personal ambition.

To be elected to follow Mr. Blake, is therefore, be to be elected to follow a political *will-o'-the-wisp*.

The present Government was raised to power for the purpose of inaugurating a policy of protection to our home industries. They pledged themselves to that policy, and it is admitted that they have kept their pledges, but it is alleged that the people do not approve of the new policy. They will soon have an opportunity of giving expression to their decision. It will be for the people to say whether they desire to see the country reduced again to the condition of general prostration and wide-spread bankruptcy, which existed down till the election of 1878, and the revival and extension of our industries resulting from the changed policy of 1879. It will be for them to say whether they desire to see our industries again stamped out and our manufactures slaughtered by the foreigner, to see the accumulated wealth of the country diminish instead of increase, the hard-earned savings of the working man withdrawn from the Savings Banks to purchase bread for his family.

I say, if the people desire a return of the bitter adversity that reigned under the Government of Mr. Mackenzie, they have only to raise Mr. Blake to power.

But if they desire to see the obverse of the picture that I have sketched, if they desire that the great wave of prosperity which is now passing over the land, should increase in depth and breath until it permeates every industry and enriches every home in Canada, they will take care that the arm of the experienced and patriotic pilot, who has guided the Ship of State with such marked skill and success, shall not be weakened by the withdrawal of any of that popular confidence and support which under an over-ruling Providence have sustained him through the anxieties, trials and labours of the last four years.

I have the honor to be, Gentlemen,

Your very obedient servant,

D. L. MACPHERSON.

Ottawa, 24th May, 1882.

APPENDIX.

Annexed are four tables, which I think you will find convenient for reference :—

No. 1.—Explains itself—is very interesting and suggestive.

No. 2.—Exhibits the revenue and expenditure, the surpluses, and deficits since Confederation, showing the result of Sir John Macdonald's and Mr. Mackenzie's administrations respectively.

No. 3.—The expenditure since 1873-4, showing separately :—

(a) The charges for the Public Debt, and subsidies to Provinces.

(b) The ordinary expenditure.

(c) The charges for collecting the revenue.

(d) The expenditure in Manitoba and the North-West Territories.

No. 4.—Shows the expenditure from capital account classified since Confederation.

No. 1.

	1878. May 1.	1879. May 1.	1880. May 1.	1881. May 1.	1882. May 1.
Total Deposits in Banks of Canada (<i>exclusive of Government deposits</i>).....	\$62,853,672	\$61,785,629	\$71,175,728	\$78,204,837	\$87,826,294
Total Deposits in Gov't Savings Banks.....	8,497,613	9,207,683	11,052,956	15,836,672	20,023,933
Total of <i>Current Discounts</i> of Canadian Bks.	117,724,797	115,382,709	98,388,291	110,590,183	129,591,819

No. 2.

COMPARATIVE STATEMENT OF THE REVENUE AND EXPENDITURE OF EACH FINANCIAL YEAR SINCE CONFEDERATION.

EXPENDITURE AS PER PUBLIC ACCOUNTS.	1867-68.	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Charges for management of Debt, Interest and Subsidies.....	7,969,990	8,403,527	8,102,191	8,638,565	9,004,362	8,717,076	10,255,798	11,124,726	11,122,359	11,489,326	11,659,523	11,952,641	12,659,667	12,525,837
Ordinary Expenditure.....	3,630,298	3,459,485	3,891,592	4,610,401	5,873,519	7,062,095	8,324,076	7,868,690	8,569,774	6,835,078	6,542,510	6,941,577	6,963,852	7,293,563
Charges on Revenue.....	1,885,804	2,175,071	2,351,724	2,374,114	2,711,587	3,395,475	4,736,442	4,719,654	4,796,238	5,194,896	5,301,124	5,561,162	5,227,113	5,683,153
Total charged to Consolidated Fund.....	13,486,092	14,038,084	14,345,509	15,623,081	17,589,468	19,174,647	23,316,316	23,713,071	24,483,372	23,519,306	23,503,158	24,455,381	24,850,634	25,502,554
Total Receipts of Revenue as per Public Accounts..	13,687,928	14,379,174	15,512,225	19,335,560	20,714,813	20,813,469	24,205,092	24,648,715	22,587,587	22,059,274	22,375,011	22,517,382	23,307,406	29,635,297
Yearly Surpluses	201,836	341,090	1,166,716	3,712,479	3,125,345	1,638,822	888,776	935,644						4,132,743
Deficit									1,900,785	1,460,026	1,128,147	1,937,999	1,543,228	

RECAPITULATION OF SURPLUSES.

SURPLUS—Financial year 1867-68	\$ 201,836
" " " 1868-69	341,090
" " " 1869-70	1,166,716
" " " 1870-71	3,712,479
" " " 1871-72	3,125,345
" " " 1872-73	1,638,822
" " " 1873-74	888,776
" " " 1874-75	935,644
" " " 1880-81	4,132,743

Total amount of Surpluses since Confederation\$16,143,451

RECAPITULATION OF DEFICITS.

DEFICIT—Financial year 1875-76 (ending 30th June, 1876)	\$1,900,785
" " " 1876-77 (" " 1877)	1,460,026
" " " 1877-78 (" " 1878)	1,128,147
" " " 1878-79 (" " 1879)	1,937,999
" " " 1879-80 (" " 1880)	1,543,228

Total amount of Deficits since Confederation\$8,070,185

No. 3.

AS PER PUBLIC ACCOUNTS.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
Charges for Debt, Interest, Sinking Fund, &c.	\$6,503,041	\$7,373,765	\$7,432,004	\$7,833,476	\$8,186,716	\$8,509,878	\$9,228,821	\$9,070,320
Subsidies to Provinces.....	3,752,757	3,750,961	3,690,355	3,655,850	3,472,808	3,442,764	3,430,846	3,455,517
Charges for Debt and Subsidies to Provinces	\$10,255,798	\$11,124,726	\$11,122,359	\$11,489,327	\$11,659,523	\$11,952,642	\$12,659,667	\$12,525,837
Ordinary Expenditure.....	8,324,076	7,868,690	8,569,774	6,835,078	6,542,510	6,941,577	6,963,853	7,293,663
Charges on Revenue	4,736,442	4,719,655	4,796,238	5,194,896	5,301,124	5,561,162	5,227,114	5,683,153
Total Expenditure	\$23,316,316	\$23,713,071	\$24,488,372	\$23,519,301	\$23,503,158	\$24,455,381	\$24,850,634	\$25,502,553
Deduct Charges for Debt and Subsidies to Provinces	10,255,798	11,124,726	11,122,359	11,489,326	11,659,523	11,952,642	12,659,667	12,525,837
Expenditure more or less Controllable.....	\$13,060,518	\$12,538,345	\$13,366,012	\$12,029,974	\$11,843,634	\$12,502,739	\$12,190,966	\$12,976,716
Deduct Expenditure for North-West Territories, ..	931,984	994,976	1,158,110	774,835	898,994	925,923	1,175,169	1,162,687
Controllable Expenditure Dominion proper.....	\$12,128,534	\$11,593,369	\$12,207,902	\$11,255,139	\$10,944,640	\$11,576,816	\$11,015,797	\$11,814,029
Do do do for 1879-80	11,015,797	11,015,797	11,015,797	11,015,797	11,015,797	11,015,797	.....	11,015,797
Decrease in Controllable Expenditure for 1879-80, as compared with 1873-74	\$1,112,737							
Do. 1879-80, as compared with 1874-75		\$577,572						
Do. 1879-80, as compared with 1875-76			\$1,192,105					
Do. 1879-80, as compared with 1876-77				\$239,342				
Do. 1879-80, as compared with 1878-79						\$561,019		
Increase 1880-81, as compared with 1879-80								\$798,232

The Controllable Expenditure was \$71,157 less in 1877-78 than in 1879-80.

N.B.—The Controllable Expenditure in 1880-81 was \$389,296 less than in 1875-76.

CAPITAL EXPENDITURE, AS PER PUBLIC ACCOUNTS, FOR EACH FINANCIAL YEAR SINCE CONFEDERATION.

	1867-68.	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Miscellaneous Public Works	524,126	325,127	281,630	.....	461,969	552,998	1,526,811	2,731,482	2,808,560	4,904,524	4,020,010	3,181,407	2,148,636	2,264,398	25,731,684
Pacific Railway				30,148	489,428	561,818	310,224	1,546,241	3,346,567	1,691,149	2,228,373	2,240,285	4,044,522	4,968,503	21,457,263
Intercolonial Railway	50,081	169,782	1,567,586	2,866,376	5,039,063	4,827,183	3,417,661	2,645,460	998,991	1,004,057	408,816	226,639	2,048,014	608,732	25,878,448
North-West		19,113	1,821,887	773,871	241,888	63,238	.....	.....	.....	.....	.....	.....	.....	.....	2,920,000
Dominion Lands .....				.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	334,681	334,681
Total Expenditure on Works	510,023	514,023	3,671,104	3,670,396	6,232,349	6,005,240	5,254,698	6,923,185	7,154,118	7,599,731	6,657,200	5,648,331	8,241,173	8,176,316	76,322,078
*Debts allowed Provinces ...	.....	.....	.....	.....	1,666,200	13,859,079	4,927,060	.....	.....	.....	.....	.....	.....	.....	20,452,340
Total Capital Expenditure ...	574,208	514,023	3,671,104	3,670,396	7,898,549	19,864,319	10,181,758	6,923,185	7,154,118	7,599,731	6,657,200	5,648,331	8,241,173	8,176,316	96,774,418
Increase and Decrease of Debt	+28,493	+102,184	+2,350,423	-503,224	+4,480,554	+17,661,389	+8,476,502	+7,683,413	+8,543,136	+8,683,794	+7,126,760	+2,628,117	+9,461,401	+2,944,191	79,667,139
Capital Expend. from Income	545,714	411,838	1,320,681	4,273,621	3,417,995	2,202,929	1,705,256	-760,228	-1,389,017	-1,084,063	-469,566	-3,020,214	-1,220,227	5,232,124	17,107,279

RECAPITULATION OF CAPITAL EXPENDITURE.

Total Capital Expenditure on Miscellaneous Public Works since Confederation	\$25,731,684
Total Capital Expenditure on Pacific Railway since Confederation	21,457,263
Total Capital Expenditure on Intercolonial Railway since Confederation	25,878,448
Total Capital Expenditure on works in North-West Territory since Confederation and Dominion Lands	3,254,681
Total Debts allowed Provinces since Confederation	20,452,340
Total Capital Expenditure since Confederation	\$96,774,416
Net increase of Debt since Confederation	79,667,139
Total Capital Expenditure from Income	\$17,107,277
Expenditure on Public Works in former years, transferred from Capital Account to Consolidated Fund in 1870-71	317,680
Amount of Income expended on Public Works, properly chargeable to Capital, and thereby <i>pro tanto</i> avoiding the increase of the Public Debt	\$16,789,597

* NOTE.—The sum of the public obligations was not increased by the assumption of Debts of Provinces. The only effect was to transfer the direct liability for the amount of which each Province was relieved from the Province to the Dominion.



